Fact Sheet: The Administration's Record on Oil & Natural Gas Production

Claim #1: "Sequestration is forcing the Department of Interior to cancel oil and gas lease sales."

Fact: Sequestration appears to be having no effect on DOI's plan to propose, review comments on, and implement a new permitting regime for hydraulic fracturing that will cost the agency enormous resources.

- Sequestration is also not having an effect on DOI's program to fast-track renewable energy on public lands and waters, despite their higher cost.

Claim #2: "This Administration is responsible for dramatic increases in domestic oil and gas production."

Fact: Oil and gas production on federal lands has stagnated or significantly declined under the Obama Administration.[1]

- According to a March 7, 2013, report by the Congressional Research Service, "All of the increased oil production from FY2007 to FY2012 took place on non-federal lands, causing the federal share of total U.S. crude oil production to fall by about seven percentage points."[2]
- "Since 2007, natural gas production on federal lands fell by about 33%."[3]

Claim #3: "Shifts in production are due to the increase in hydraulic fracturing on private lands, not due to Administration policies."

Fact: While the large shale formations on private lands are a factor, enormous oil and gas resources lie under federal lands, and producers are eager to access them.

- The rate of "Expressions of Interest" (EOIs) from parties interested in obtaining land for oil and gas leasing have increased, not decreased.
- In 2012, EOI acreage doubled to 5.9 million, from just 2.9 million in 2010.[4]

Claim #4: "Oil and gas producers are not using their leases. We need to adopt a 'use it or lose it' policy."

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[1] MARC HUMPHRIES, CONGRESSIONAL RESEARCH SERVICE, U.S. CRUDE OIL AND NATURAL GAS PRODUCTION IN FEDERAL AND NON-FEDERAL AREAS, Mar. 7, 2013.
[2] *Id.*
[3] *Id.*
[4] Bureau of Land Management, Oil and Gas Leasing Program, Acreage Sought by Industry in CY 2006-2012.

Fact: Because of regulatory hurdles, the process between acquiring a lease and actually extracting minerals is incredibly lengthy and complex, and can take as long as 10 years.

- According to BLM, as of December 2012, there were 23,306 producing leases out of 48,699 total leases outstanding – a utilization rate of 48%. The 48% utilization rate does not reflect *underutilization*, but rather is the maximum speed at which producers can begin extracting mineral resources.
- Furthermore, not every lease turns out to have oil or gas under it – naturally, many leases turn out to be unproductive.
- "Use it or lose it" is already the law of the land. Federal energy lease holders already must produce oil or natural gas within 5-10 years after drilling on the land begins. The Secretary of the Interior has the power to cancel the lease if the producer fails to comply.

Claim #5: "Too much public land is open to oil and gas development. We need 'balance.'"

Fact: Oil and gas production makes up a tiny sliver of public acreage.

- The Department of the Interior manages 643.2 million surface acres in the United States.[5] Only 37.8 million acres – 5.9% – are open to oil and gas production. Because only a sliver of leased acreage is needed for the drilling rig and access roads, actual surface disruption is only 0.4% of total acreage.
- In contrast, more than 600 million acres are set aside for permanent conservation (as a National Park, Wilderness Area, Wildlife Refuge, etc.), or not available for oil and gas leasing.

Claim #6: "The Administration has opened 75% of our offshore resources to development."

Fact: DOI's is using "Resource Estimates" that are based on outdated scientific information, and underestimate the actual reserves in closed-off areas.

- To determine offshore resources, geological and geophysical companies ("G&G") companies conduct seismic studies of the outer continental shelf. They have not been able to perform such seismic for almost 30 years on the 87% of the OCS not opened for exploration.

Claim #7: "*The Department of the Interior has dramatically sped up the process for approving Application for Permits to Drill (APDs.)*"

Fact: Since 2007, the number of permits approved is down while the length it takes to approve them is up.

- According to BLM's most recent statistics, in 2007 BLM approved 7,124 permits to drill, with an average wait time of 196 days. In 2012, BLM approved 4,256 permits, with an average time of 228 days.[6]
- BLM is taking 16% longer in 2012 to perform 60% of the work they accomplished in 2007.

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[5] Public Lands Statistics, Bureau of Land Management, U.S. Dep't of the Interior (May 2012), *available at* http://www.blm.gov/public_land_statistics/pls11/pls2011.pdf.

[6] Bureau of Land Management, U.S. Dep't of the Interior, Average Application for Permit to Drill (APD) Approval Timeframe, FY2005-FY2012, *available at* http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/statistics/apd_chart.html.